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Senate Engrossed

State of Arizona
Senate
Forty-sixth Legislature
Second Regular Session
2004

SENATE BILL 1141

AN ACT

AMENDING SECTION 42-5010, ARIZONA REVISED STATUTES; RELATING TO TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-5010, Arizona Revised Statutes, is amended to
3 read:

4 42-5010. Rates; distribution base

5 A. The tax imposed by this article is levied and shall be collected at
6 the following rates:

7 1. Five per cent of the tax base as computed for the business of every
8 person engaging or continuing in this state in the following business
9 classifications described in article 2 of this chapter:

- 10 (a) Transporting classification.
- 11 (b) Utilities classification.
- 12 (c) Telecommunications classification.
- 13 (d) Pipeline classification.
- 14 (e) Private car line classification.
- 15 (f) Publication classification.
- 16 (g) Job printing classification.
- 17 (h) Prime contracting classification.
- 18 (i) Owner builder sales classification.
- 19 (j) Amusement classification.
- 20 (k) Restaurant classification.
- 21 (l) Personal property rental classification.
- 22 (m) Retail classification.
- 23 (n) Membership camping classification.

24 2. Five and one-half per cent of the tax base as computed for the
25 business of every person engaging or continuing in this state in the
26 transient lodging classification described in section 42-5070.

27 3. Three and one-eighth per cent of the tax base as computed for the
28 business of every person engaging or continuing in this state in the mining
29 classification described in section 42-5072.

30 4. Zero per cent of the tax base as computed for the business of every
31 person engaging or continuing in this state in the commercial lease
32 classification described in section 42-5069.

33 B. Twenty per cent of the tax revenues collected at the rate
34 prescribed by subsection A, paragraph 1 of this section from persons on
35 account of engaging in business under the business classifications listed in
36 subsection A, paragraph 1, subdivisions (a) through (i) of this section is
37 designated as distribution base for purposes of section 42-5029.

38 C. Forty per cent of the tax revenues collected at the rate prescribed
39 by subsection A, paragraph 1 of this section from persons on account of
40 engaging in business under the business classifications listed in subsection
41 A, paragraph 1, subdivisions (j) through (n) of this section is designated as
42 distribution base for purposes of section 42-5029.

43 D. Thirty-two per cent of the tax revenues collected from persons on
44 account of engaging in business under the business classification listed in

1 subsection A, paragraph 3 of this section is designated as distribution base
2 for purposes of section 42-5029.

3 E. Fifty-three and one-third per cent of the tax revenues collected
4 from persons on account of engaging in business under the business
5 ~~classifications~~ CLASSIFICATION listed in subsection A, paragraph 4 of this
6 section is designated as distribution base for purposes of section 42-5029.

7 F. Fifty per cent of the tax revenues collected from persons on
8 account of engaging in business under the business classification listed in
9 subsection A, paragraph 2 of this section is designated as distribution base
10 for purposes of section 42-5029.

11 G. In addition to the rates prescribed by subsection A of this
12 section, if approved by the qualified electors voting at a statewide general
13 election, an additional rate increment is imposed and shall be collected
14 through June 30, 2021. The taxpayer shall pay taxes pursuant to this
15 subsection at the same time and in the same manner as under subsection A of
16 this section. The department shall separately account for the revenues
17 collected with respect to the rates imposed pursuant to this subsection and
18 the state treasurer shall distribute all of those revenues in the manner
19 prescribed by section 42-5029, subsection E. The rates imposed pursuant to
20 this subsection shall not be considered local revenues for purposes of
21 article IX, section 21, Constitution of Arizona. The additional tax rate
22 increment is levied at the rate of six-tenths of one per cent of the tax base
23 of every person engaging or continuing in this state in a business
24 classification listed in subsection A, paragraph 1 of this section.

25 H. Any increase in the rate of tax that is imposed by this chapter and
26 that is enacted by the legislature or by a vote of the people does not apply
27 with respect to INVOICES OR WRITTEN contracts OR ELECTRONIC PURCHASE ORDERS
28 AND OTHER RECORDS THAT ARE MAINTAINED BY A PERSON IN THE REGULAR COURSE OF
29 BUSINESS, INCLUDING ELECTRONIC RECORDS, INTERNAL RECORDS OR ANY OTHER
30 ELECTRONIC OR WRITTEN DOCUMENT THAT THE PERSON USES TO ESTABLISH PURCHASE
31 AGREEMENTS entered into ~~by prime contractors or pursuant to written bids made~~
32 ~~by prime contractors on or~~ before the effective date of the legislation or
33 the date of the election enacting the increase. ~~To qualify for the exemption~~
34 ~~under this subsection, the prime contractor must maintain sufficient~~
35 ~~documentation, in a manner and form prescribed by the department, to verify~~
36 ~~the date of the contract or written bid.~~ EACH PERSON WHO IS SUBJECT TO A
37 TRANSACTION PRIVILEGE TAX PURSUANT TO THIS CHAPTER SHALL MAINTAIN SUFFICIENT
38 DOCUMENTATION, IN A MANNER AND FORM PRESCRIBED BY THE DEPARTMENT, TO VERIFY
39 THE DATE OF THE INVOICES OR WRITTEN CONTRACTS OR ELECTRONIC PURCHASE ORDERS
40 AND OTHER RECORDS THAT ARE MAINTAINED BY THE PERSON IN THE REGULAR COURSE OF
41 BUSINESS, INCLUDING ELECTRONIC RECORDS, INTERNAL RECORDS OR ANY OTHER
42 ELECTRONIC OR WRITTEN DOCUMENT THAT THE PERSON USES TO ESTABLISH PURCHASE
43 AGREEMENTS.